

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

Ex E

UNITED STATES OF AMERICA,  
Plaintiff,

-vs-

VIOLETTE GAIL ELDRIDGE,  
KATHERINE CRASE and  
PAUL D. KUHN,

Defendants.

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Grand Jury #07-503 (WPB)  
West Palm Beach, Florida  
Thursday, August 9, 2007

TESTIMONY  
OF  
WALDO LONGA

COPY

APPEARANCE:

JOSEPH A. CAPONE, ASSISTANT U. S. ATTORNEY  
WASHINGTON, D. C.  
EDWARD C. NUCCI, ASSISTANT U. S. ATTORNEY  
WEST PALM BEACH, FLORIDA  
BEVERLY JOHNSON, FOREPERSON  
NANCY SIEGEL, COURT REPORTER

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1 you and Mr. Kuhn just break off?

2 A Yes, yes.

3 Q And at some point did he get an attorney?

4 A He got an attorney, yes.

5 Q One other little area of questioning I want to  
6 ask you about. Did you look into the SEC lawsuit  
7 against Gail Eldridge?

8 A Yes.

9 Q Can you give us just a short synopsis of that  
10 case?

11 A That was a fraudulent sale of securities  
12 matter that resulted in a lawsuit in late 2003 against  
13 Gail Eldridge and others for being a part of a fraud  
14 scheme to defraud investors via a private placement at  
15 which in fact raised approximately \$30 million of which  
16 \$24 million approximately was transferred by Gail  
17 Eldridge to a British Virgin Island account that she  
18 controlled.

19 Q Were part of the accusations in that case was  
20 that she converted some of the investor's money into her  
21 own use?

22 A Yes, that she and the others had actually  
23 taken in investor money and converted it for their  
24 personal use.

25 Q Was that SEC lawsuit ongoing at the time that

1 you and Agent Olsa and the others were conducting your  
2 undercover investigation?

3 A Yes, yes.

4 Q Give me one moment.

5 (Thereupon, there was a brief pause.)

6 Q Do any of the Grand Jurors have any questions  
7 for Agent Longa?

8 (No questions posed by the Grand Jury.)

9 Q No. Okay. May he be excused?

10 THE FOREPERSON: Yes.

11 BY MR. CAPONE:

12 Q If you will wait outside for a moment in case  
13 there are any follow-up questions.

14 (The witness was excused from the Grand Jury  
15 room.)

16 (Proceedings continued before the Grand Jury.)

17 (Questions posed by the Grand Jury.)

18 (The AUSAs and the court reporter left the  
19 Grand Jury room.)

20 (Grand Jury deliberated.)

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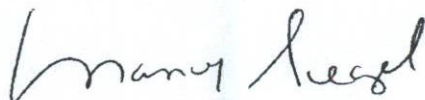
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1 CERTIFICATE OF REPORTER  
2  
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5 I certify pages 2 through 15 are a true transcript of my  
6 shorthand notes of the testimony of Waldo Longa before  
7 the Federal Grand Jury, West Palm Beach, Florida on the  
8 9th day of August, 2007.

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11 Nancy Siegel-Notary Public

12 Commission #DD0282274

13 Expires May 8, 2008  
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